Overview on EBA’s Diversity Benchmarking exercise and related policy work

European Banking Authority
EBAs Role in Diversity

Three areas of EBA activities regarding diversity

- Mandate to benchmark diversity practices in banks and investment firms in Article 91 of Directive 2013/36/EU
- EBA issued guidelines to foster diversity, equal opportunities and gender neutral remuneration policies
- Internal activities to establish a good gender balance in EBA’s internal organisation
EBAs diversity Benchmarking Exercise, 2021 data

Scope: EU/EEA, 791 institutions participated in the data collection

- 662 credit institutions
- 129 investment firms

Data collected as of the end of every three years: 2015; 2018, 2021, ...

Content:

- Diversity policies (elements: gender, age, geographical, educational and professional background and targets in particular for gender)
- Diversity practices (composition of the management body in its management and its supervisory function)
- Gender pay-gap at the level of the management body
Women’s representation on boards has gradually improved, but imbalances remain

- Only 18.05% of executive directors are female.
- Already 27.75% of non-executive directorships are held by women.
- Gender balance is better at lower age brackets and with newly recruited directors.
- 27.05% of institutions still lack the mandatory diversity policy.
- A clear positive correlation between gender balance and Return on Equity (RoE) exists.
- Women earn on average 9.48% less than male executive directors and 5.90% less than male non-executive directors.
Representation of women in boards in EU/EEA

[Bar chart showing the representation of women in boards in EU/EEA, with categories for female executive directors, female non-executive directors, and female SRs, and data for different countries and years.]
Better gender balance at newly recruited directors

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<tbody>
<tr>
<td>Total</td>
<td>809</td>
<td>883</td>
<td>1 166</td>
<td>1 501</td>
<td>1 597</td>
<td>2 223</td>
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<tr>
<td>Male</td>
<td>81.71%</td>
<td>78.82%</td>
<td>75.73%</td>
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<tr>
<td>Female</td>
<td>18.29%</td>
<td>21.18%</td>
<td>24.27%</td>
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<td>27.99%</td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th>SRs 2015-2016</th>
<th>SRs 2017-2018</th>
<th>SRs 2019-2021</th>
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<tbody>
<tr>
<td>Total</td>
<td>178</td>
<td>229</td>
<td>286</td>
</tr>
<tr>
<td>Male</td>
<td>58.99%</td>
<td>64.63%</td>
<td>56.29%</td>
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<tr>
<td>Female</td>
<td>41.01%</td>
<td>35.37%</td>
<td>43.36%</td>
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RoE and Gender Balance

ED both genders  One gender

Percentage of the banks own funds

Return on Equity (%)
Gender pay gap

- all ED incl. CEO: 11.28%
- all ED excl. CEO: 9.43%
- non-ED incl. Chair excluding SRs: 13.29%
- non-ED excluding Chair and SRs: 5.9%

Source: EBA Report on benchmarking of diversity practices at EU level, 2021 data
EBA Guidelines – main policy aspects

Guidelines specify provisions in EU Directives in the area of diversity

- Banks and investment banks must:
  - ensure that there is no discrimination based on gender, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation
  - take measures to ensure equal opportunities – aiming to improve the gender balance of the pool of candidates for positions within the management body – e.g. considering gender balance at senior management level or within management / care for staff returning from parental leave
  - comply with the principle of equal pay for male and female workers for equal work or work of equal value – remuneration policies must be gender neutral
  - perform a mandatory benchmarking of the gender pay gap

- Take into account diversity when recruiting board members